

Report Date: February 5, 2018

TCAPR,  
CORP.  
Office of the  
Technical  
Compliance Advisor

December 31

2017

Financial  
Report as of:

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Prepared by:  
Eric Guzman  
Executive Office  
Manager

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**To: Judge Gustavo A Gelpi**  
 United States District Court of Puerto Rico  
 Federico Degetau Federal Building  
 150 Carlos Chardon Street  
 San Juan, PR, 00918-1767

**From: Eric Guzman**  
 Executive Office Manager  
 Office of the Technical Compliance

**Re: Mr. Arnaldo Claudio**  
 Technical Compliance Advisor ("TCA")  
 TCAPR, Corp.

**Subject:** Financial Report as of December 31, 2017

**Copies:** US Department of Justice  
 PR Department of Justice

**TCAPR, Corp.**  
**Statement of Operations and Fund Balance vs. Budget**  
**As of December 31, 2017**

<b>TCAPR, CORP.</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>
<b>TOTAL PRPD REFORM CONTRIBUTIONS</b>	\$ 1,397,506.73	\$ 1,497,041.56	\$ (99,534.83)
<b>PROGRAM EXPENSESES</b>			
SALARIES & WAGES	\$ 411,194.40	\$ 476,194.00	\$ (64,999.60)
CONSULTANTS (CORE TEAM)	696,341.00	641,670.00	\$ 54,671.00
SPECIALISTS	179,295.00	235,000.00	\$ (55,705.00)
TRANSPORTATION	20,943.44	28,097.02	\$ (7,153.58)
<b>TOTAL PROGRAM EXPENSESES</b>	<u>1,307,773.84</u>	<u>\$ 1,380,961.02</u>	<u>\$ (73,187.18)</u>
<b>MANAGEMENT &amp; GENERAL EXPENSES</b>			
EMPLOYER RELATED TAXES & BENEFITS	\$ 34,172.96	\$ 57,530.50	\$ (23,357.54)
COMMUNICATIOS	2,309.92	3,000.00	\$ (690.08)
PROFESSIONAL & FEES	18,514.04	18,050.04	\$ 464.00
OTHER OFFICE CHARGES	2,225.32	1,500.00	\$ 725.32
OFFICE RENT EXPENSES	36,000.00	36,000.00	\$ -
<b>TOTAL MANAGEMENT &amp; GENERAL EXPENSES</b>	<u>93,222.24</u>	<u>116,080.54</u>	<u>\$ (22,858.30)</u>
<b>FUND BALANCE (N6)</b>	<u>\$ (3,489.35)</u>	<u>\$ -</u>	<u>\$ (3,489.35)</u>

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**TCAPR, Corp.**  
**Summary of Actual vs Budget Variance**  
**As of December 31, 2017**

<b>TCAPR, CORP.</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>
PROGRAM EXPENSES	\$ 1,307,773.84	\$ 1,380,961.02	\$ (73,187.18)
MANAGEMENT & GENERAL EXPENSES	93,222.24	116,080.54	(22,858.30)
<b>BUDGET SAVING FROM PROGRAM &amp; MANAGEMENT EXPENSES</b>	<b>\$ 1,400,996.08</b>	<b>\$ 1,497,041.56</b>	<b>\$ (96,045.48)</b>

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**TCAPR, Corp.**  
**Statement of Financial Position**  
**As of December 31, 2017**

<b>TCAPR, CORP.</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<u><b>CURRENT ASSETS</b></u>		
PETTY CASH	\$ (496.19)	\$ 53.90
REGULAR CHECKING ACCOUNT	14,665.27	10,701.42
RESTRICTED FUNDS (N1)	7,675.00	7,675.00
ACCOUNT RECEIVABLE (USDC-PR)	47,634.55	72,547.59
ACCOUNT RECEIVABLE	-	998.00
UNBILLED TCAPR SERVICES (N2)	3,266.55	3,738.43
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 72,745.18</b>	<b>\$ 95,714.34</b>
<u><b>OTHER ASSETS</b></u>		
PREPAID TELEPHONE	\$ -	\$ 53.74
PREPAID PAYROLL TAXES	-	10.40
PRTC DEPOSIT (N3)	150.00	150.00
PREPAID INSURANCE	3,290.00	-
PREPAID INSURANCE AMORTIZATION	(2,891.34)	-
<b>TOTAL OTHER ASSETS</b>	<b>\$ 548.66</b>	<b>\$ 214.14</b>
<b>TOTAL ASSETS</b>	<b>\$ 73,293.84</b>	<b>\$ 95,928.48</b>
<b>LIABILITIES AND NET ASSETS</b>		
<u><b>CURRENT LIABILITIES</b></u>		
ACCOUNTS PAYABLE	\$ 52,669.08	69,437.94
COURT OVERPAYMENT (N4)	89.00	-
SALARIES ROUNDING ADJUSTMENT (N5)	406.52	-
EXPENSES REIMBURSEMENT	10.40	11.20
SOCIAL SECURITY TAXES	792.58	1,958.77
FEDERAL INCOME TAX PAYABLE	1,146.39	-
FEDERAL UNEMPLOYMENT TAX	168.00	210.00
STATE INCOME TAX WITHHOLDING	-	5,931.78
INCOME TAX WITHHOLDING (VA)	2,725.76	805.56
CHAUFFER INSURANCE	10.40	10.60
7% INCOME TAXES PAYABLE	4,741.58	1,898.13
OTHER FEES	5.00	5.00
ACCRUED VACATION	1,427.36	3,993.60
ACCRUED SICK	3,633.28	3,744.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 67,825.35</b>	<b>\$ 88,006.58</b>
RESTRICTED FUND BALANCE	\$ 5,468.49	7,921.90
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 73,293.84</b>	<b>\$ 95,928.48</b>

**TCAPR, Corp.**  
**Notes of Statement of Financial Position**  
**As of December 31, 2017**

**Note 1: Restricted Funds**

The actual bank account balance of \$14,665.27 includes funds in the amount of \$7,675 that have been designated for the following transactions:

Landlord Deposit	\$ 6,000.00
Funds for an Office Switchboard	1,675.00
Total	<u>7,675.00</u>

**Note 2: PRPD Fund Unbilled Expenses (USDC)**

This amount represents TCA Office expenses incurred that are to be invoiced to the USDC during January 2018:

Social Security	\$ 1,041.07
Telephone and Communications	189.70
Medicare	527.44
Accounting, Tax & Advisory	1,508.34
Total	<u>\$ 3,266.55</u>

**Note 3: PRTC Deposit**

As a prerequisite to establishing a telephone/internet service with the PRTC/Claro for the TCA Office, a commercial deposit of \$150.00 is required. Upon the closing of this account service, this deposit is to be applied towards the TCA Office's final invoice with any excess deposit to be refunded.

**Note 4: Court Overpayment**

On June 2017 the court overpayment the amount of \$89.00, this amount will be deducted from a future TCA Office invoice to the USDC.

**Note 5: Salaries Rounding Adjustment**

For ease of managing transactions between the TCA Office and the USDC, all TCA invoices that cover Salaries thru June 30, 2017 had been rounded. Since August 2017 rounding amounts have ceased; however, these miscellaneous amounts represent the difference between the invoices presented to the USDC and the payments made by the TCAPR, CORP office.

**Note 6: Funds Balance**

A significant portion of the difference on fund balance corresponds to non-billed vacations and sick leave accruals of non-exempt employees who worked more than 115 hours per month as required by Act No. 180 of July 27, 1998. Vacations and/or sick leave used by non-exempt employees during the year are applied against "fixed monthly staff salaries" funds. At the time of terminating a non-exempt employee, any unused vacation leave balance will be including in the monthly invoice and presented to the parties US Department of Justice, PR Department of Justice and to the United States District Court of Puerto Rico.